



IRA A. JACKSON
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Leverett Saltonstall Building
100 Cambridge Street, Boston 02204

March 8, 1984

You inquire whether sales of ("Circular") will be subject to the sales tax. You also inquire whether the publisher of the Circular must pay the sales tax on its purchases of paper and other materials that will become part of the Circular.

The Circular will be published at weekly or monthly intervals. The publisher will sell it to banks, which will distribute it free of charge to their customers. The Circular will comprise articles that give advice about personal money management and encourage the customers of banks to more fully use banking services.

General Laws Chapter 64H, Section 6(m) exempts sales of newspapers and magazines from the sales tax. For purposes of this exemption, "newspaper" is defined in Subsection (1) of Sales and Use Tax Regulation 830 CMR 64H.07 as "a paper distributed at stated, periodic intervals, and containing news and other matters of interest to a significant segment of the public" (see Greenfield Town Crier, Inc. v. Commissioner of Revenue, 385 Mass. 692 (1982)).

Sales of materials that become an ingredient or component part of tangible personal property to be sold are exempt from tax (G.L. c. 64H, § 6(r)).

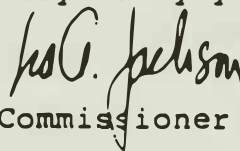
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The Circular does not contain news and other matters of interest to a significant segment of the public. Accordingly, it is ruled that the publisher's sales of the Circular to banks will be subject to the sales tax.

The publisher's purchases of paper and other materials that will become ingredient or component parts of the Circular will be exempt from tax under Section 6(r) of Chapter 64H.

Very truly yours,

A handwritten signature in dark ink, appearing to read "H. G. Johnson". The signature is written in a cursive style with a large, prominent "H" and "J".

Commissioner of Revenue

IAJ:JXD:mf

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